

September 30, 2004

Marlene H. Dortch  
Office of the Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W., Room TW-A306  
Washington, D.C. 20554

Irene M. Flannery  
Vice President, High Cost & Low Income Division  
Universal Service Administrative Company  
2000 L Street, N.W., Suite 200  
Washington, D.C. 20036

Re: Certification of High Cost Support Pursuant to 47 C.F.R. §§ 54.313,  
54.314 and 54.316, CC Docket No. 96-45

Dear Ms. Dortch and Ms. Flannery:

The Public Service Commission of West Virginia (WVPSC) hereby submits its annual certification in accordance with 47 C.F.R. §§ 54.313, 54.314 and 54.316. These rules of the Federal Communications Commission (FCC) require state certifications to allow non-rural and rural incumbent local exchange carriers, or eligible telecommunications carriers to receive federal universal service support pursuant to 47 C.F.R. §§ 54.301 - 54.314.

I. Use of High Cost Support Certification – All Carriers.

Ms. Dortch  
Ms. Flannery  
Page 2  
September 30, 2004

As required by 47 C.F.R. §§ 54.313(a) and 54.314(a), the WVPSC certifies that the following carriers in West Virginia are eligible to receive federal support during January 1, 2005 to December 31, 2005:

1. West Virginia PCS Alliance, L.C. dba NTELOS
2. Citizens Telecommunications of West Virginia, Inc.
3. Hardy Telecommunications, Inc. (CLEC)
4. Hardy Telecommunications, Inc. (ILEC)
5. Verizon West Virginia Inc.
6. ALLTEL Communications, Inc.
7. Spruce Knob Seneca Rocks Telephone, Inc.
8. Gateway Telecom, LLC, dba StratusWave Communications
9. West Side Telecommunications
10. Armstrong Telephone Company - West Virginia
11. Armstrong Telephone Company - Northern Division
12. Easterbrooke Cellular Corporation
13. Highland Cellular, LLC
14. FiberNet, LLC
15. Sprint Corporation
16. War Telecommunications

Attachment A to this letter lists these carriers, each carrier's SAC, whether the carrier is rural or non-rural, and whether the carrier is an incumbent or competitive carrier. The WVPSC further certifies that these carriers will use federal universal service support only for the provision, maintenance and upgrading of facilities and services for which the support is intended, consistent with Section 254(e) of the Communications Act of 1934, as amended. This certification is the product of formal proceedings before the WVPSC. *See "Commission Order," General Investigation Regarding Certification of Federal Universal Service Funding for Eligible Telecommunications Carriers in West Virginia*, Case No. 04-1260-T-GI (September 30, 2004) (copy attached). With respect to Verizon West Virginia Inc. (Verizon WV), all federal universal service support received by Verizon WV is used to reduce monthly rates for single-line business and residential customers in West Virginia, and for network upgrades in high-cost areas, pursuant to a stipulation entered into by Verizon WV, the WVPSC Staff and the WVPSC's Consumer Advocate Division, and approved by the WVPSC. *See "Commission Order," Verizon WV, Inc.*, Case No. 04-0098-T-P (Feb. 10, 2004) (copy attached).

## II. Rate Comparability Certification – Non-rural ILEC Service Areas.

### A. Non-rural ILEC Rate Comparability Certification.

Verizon WV is West Virginia's only non-rural incumbent local exchange carrier (ILEC). As required by 47 C.F.R. § 54.316(a), the WVPSC certifies that the rates charged by Verizon WV in rural areas of its ILEC service area are reasonably comparable to rates charged in urban areas nationwide. This certification is the result of formal proceedings before the WVPSC. *See* "Commission Order" Case No. 04-1260-T-GI (September 30, 2004) (copy attached). Pursuant to the Stipulation entered into by Verizon WV, the WVPSC Staff, and the WVPSC's Consumer Advocate Division, and approved by the WVPSC, the WVPSC adopted the following findings:

1. The classification of Verizon WV's wire centers as "rural" and "urban" as set forth in Attachment A of the Stipulation is reasonable. This classification differs from a strict application of the definition of "rural areas" found in 47 C.F.R. § 54.316(c), however, it closely matches unbundled network element (UNE) zone determinations previously made by the WVPSC and has been recommended by the parties for use here.

2. The statewide average E-911 rate for non-MSA counties of \$2.02 per month as set forth in Attachment C of the Stipulation is reasonable. This statewide average E-911 rate is used in the rate template required under 47 C.F.R. § 54.316(b), and set forth in Attachment B of the Stipulation. The rates included in the rate template for each residential calling plan are also reasonable.

3. The rates charged by Verizon WV to residential customers in rural areas of its ILEC service area are comparable to rates charged in urban areas for purposes of 47 U.S.C. § 254(e). As set forth in Attachment B of the Stipulation, three of the four residential calling plans available to all Verizon-WV customers in West Virginia, including those in rural areas, have basic rates which fall below the national urban benchmark of \$34.16 per month set forth in the FCC's *Reference Book on Rates, Price Indices and Expenditures for Telephone Service*, dated July 1, 2004. The fourth calling plan, Frequent Caller, has basic rates that are \$3.44 above the benchmark. Nevertheless, the WVPSC believes that all of Verizon WV's rates in rural areas are reasonably comparable to rates charged in urban areas for the following reasons:

a. Since 1988 the rates charged to residential customers in West Virginia have been uniform throughout the state, that is, they do not vary based on whether the customer is located in an urban wire center or a rural wire center.

b. "Local calling areas" are uniformly defined throughout West Virginia, and consist of all adjacent wire centers and wire centers within 22 air miles of the customer's home wire center. This means that every residential customer in every Verizon WV wire center in West Virginia, rural or urban, has a large local calling area, usually in excess of fifty miles in diameter. These large local calling areas benefit residential customers by reducing the need to make long distance calls for normal daily activities.

c. Every residential customer in every Verizon WV wire center has the

Ms. Dortch  
Ms. Flannery  
Page 4  
September 30, 2004

choice of the same four calling plans. Unlike rate plans in other states, residential customers in rural areas are not forced to subscribe to service under only one rate plan. Since the rate plans are optional, no customer is forced to purchase service under any particular plan. Each customer can choose which plan is best for his or her calling needs.

d. Accordingly, Plan 4 is an optional calling plan that provides flat-rate local calling across a very large area. Customers do not have to choose that plan, since there are other alternative calling plans available from Verizon WV and competitive carriers. Moreover, Plan 4 gives customers flat-rate local calling for calls that are normally billed as long distance calls in other, more urban states.

*See Commission Order, General Investigation Regarding Certification of Federal Universal Service Funding for Eligible Telecommunication Carriers in WV, Case No. 04-1260-T-PC, (September 30, 2004).*

#### B. Additional Rate Comparability Certification – Competitive ETCs.

The WVPSC has also reviewed the residential rates charged by competitive eligible telecommunications carriers (CETCs) in rural areas of West Virginia served by Verizon WV and determined that the following CETCs' rates are reasonably comparable to urban rates nationwide:

1. West Virginia PCS Alliance, L.C. dba NTELOS
2. ALLTEL Communications, Inc.
3. Gateway Telecom, LLC, dba StratusWave Communications
4. Easterbrooke Cellular Corporation
5. Highland Cellular, LLC
6. FiberNet, LLC
7. Sprint Corporation

As noted in Attachment B to this letter, all these carriers offer residential rates to customers in rural wire centers served by Verizon WV that fall below the national urban benchmark of \$34.16 per month set forth in the FCC's *Reference Book on Rates, Price Indices and Expenditures for Telephone Service*, dated July 1, 2004. To the extent these carriers also offer calling plans with rates that are above the national urban benchmark, such plans are strictly optional and often include calling features that are not federally supported (such as long distance calling).

#### III. Conclusion.

On behalf of the people of the West Virginia, the WVPSC expresses its appreciation for the Commission's efforts in arriving at a mechanism to provide support that will reduce monthly rates for the bulk of customers and make those rates more comparable to rates paid by consumers in other

Ms. Dortch  
Ms. Flannery  
Page 5  
September 30, 2004

parts of the Nation.

Sincerely,

(Signature on original— overnighted by  
FEDEX on 9/30/04 for delivery on 10/1/04)

E. H. Staats  
Chairman

EHS/ljm

Enclosures

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**ATTACHMENT A**  
Rural and Non-Rural Carriers Certified to Receive High Cost Support

Carrier	SAC <sup>1</sup>	Rural/ Non-Rural <sup>2</sup>	Type <sup>3</sup>
West Virginia PCS Alliance, L.C. dba NTELOS	209909	N	C
Citizens Telecommunications of West Virginia, Inc.	200271	R	I
Citizens Telecommunications of West Virginia, Inc.	204338	R	I
Citizens Telecommunications of West Virginia, Inc.	204339	R	I
Hardy Telecommunications, Inc. (CLEC)	200259	R	C
Hardy Telecommunications, Inc. (ILEC)	200259	R	I
Verizon West Virginia, Inc.	205050	N	I
ALLTEL Communications, Inc.	209008	N	C
Spruce Knob Seneca Rocks Telephone, Inc.	200257	R	I
Gateway Telecom, LLC, dba Stratus Wave Communications	209001	N	C
West Side Telecommunications	200277	R	I
Armstrong Telephone Company - West Virginia	200256	R	I
Armstrong Telephone Company - Northern Division	200267	R	I
Easterbrooke Cellular Corporation	209006	R	C
Easterbrooke Cellular Corporation	209006	N	C
Highland Cellular, LLC	209003	R	C
Highland Cellular, LLC	209003	N	C

<sup>1</sup>Study Area Code

<sup>2</sup>R - Rural Carrier; N - Non-Rural Carrier

<sup>3</sup>I- Incumbent; C - Competitive

FiberNet, LLC	209002	N	C
FiberNet, LLC	209002	R	C
Sprint Corporation	209007	N	C
War Telecommunications	200258	R	I

**PUBLIC SERVICE COMMISSION  
OF WEST VIRGINIA  
CHARLESTON**

At a session of the Public Service Commission of West Virginia, in the City of Charleston, on the 10<sup>th</sup> day of February, 2004.

CASE NO. 04-0098-T-P

VERIZON WEST VIRGINIA, INC.

Consumer Advocate Division's petition to  
initiate proceedings to investigate appropriate  
disposition of Federal Universal Service Support  
Funds for Verizon West Virginia Inc.

**COMMISSION ORDER**

With this order, the Commission approves the Stipulation filed herein.

**BACKGROUND**

On January 27, 2004, the Commission's Consumer Advocate Division (CAD) filed a petition to initiate proceedings to establish the appropriate disposition of federal universal service funds to be received by Verizon West Virginia Inc. (Verizon WV) during 2004. CAD stated that Verizon WV receives high-cost support under the "High-Cost Model" of the Federal Universal Service Fund (FUSF).<sup>4</sup>

Carriers are permitted to use universal service support funds only for the provision, maintenance and upgrading of facilities and services for which the support is intended. 47 U.S.C. § 254(e).

CAD represented that beginning with the year 2000, Verizon WV, CAD and Commission Staff (Staff) have reached an agreement on the use of funds Verizon WV receives. Those agreements were submitted to the Commission in the form of stipulations and were approved by the Commission. See,

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<sup>4</sup> The FCC has stated that the purpose of federal universal service support is to ensure that telephone rates, especially in rural and high-cost areas are "affordable and reasonably comparable" to rates available in low-cost and urban areas. "Ninth Report and Order and Eighteenth Order on Reconsideration," *I/M/O Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, FCC 99-306 (October 21, 1999; Rel. Nov. 2, 1999).



General Investigation re: Verizon WV, Case No. 99-1620-T-GI (February, 8, 2000); General Investigation re: Verizon WV, Case No. 00-1855-T-PC (February 2, 2001); General Investigation re: Verizon WV, Case No. 01-1646-T-PC (December 28, 2001) and General Investigation re: Verizon WV, Case No. 02-2044-T-PC (January 22, 2003).

CAD indicated that the Federal Communications Commission (FCC) has made changes in the High-Cost Model and the benchmark under which FUSF support is determined. According to CAD, these changes would result in a reduction in Verizon WV's FUSF support for 2004. As such, CAD stated that the credits on customers' bills are too high which will, in turn, result in Verizon WV returning more money to customers than Verizon WV will receive in 2004.

CAD requested that the Commission issue an order expeditiously to establish proper disposition of the FUSF monies received by Verizon WV in 2004.

On January 28, 2004, Verizon WV, CAD, and Staff filed a Stipulation and a joint petition for expedited approval of the Stipulation. The parties represented that the amount of FUSF support to Verizon WV for 2004 has been reduced by \$9.3 million. According to the Stipulation, Verizon WV will modify the amount of FUSF credits in the March 2004 billing cycle. The Stipulation requires Verizon WV to make rural and high-cost infrastructure improvements of \$5.9 million, and to distribute the remainder of the available universal service funding, approximately \$15.4 million, in the form of customer credits. The Stipulation also indicates that during 2004 Verizon WV will apply the same FUSF credit amount per basic service line, irrespective of the type of calling plan the customer has. According to the parties, that provision is a departure from the general structure of the prior stipulations approved by the Commission.

The parties requested expedited consideration of the petition for approval of the Stipulation so that Verizon may make the required modifications in advance of the March 2004 billing cycle.

### **DISCUSSION**

The Commission has reviewed the joint petition and the Stipulation, and agrees that approval should be granted.

### **FINDINGS OF FACT**

1. On January 27, 2004, the CAD filed a petition to initiate proceedings to establish the appropriate disposition of federal universal service funds to be received by Verizon WV during 2004.

2. On January 28, 2004, Verizon WV, CAD, and Staff filed a Stipulation and a joint petition for expedited approval of the Stipulation. The Stipulation sets out the agreement regarding disposition of universal support funds to be received by Verizon WV during 2004.

### **CONCLUSION OF LAW**

It is reasonable for the Commission to approve the joint petition and Stipulation as requested.

**ORDER**

IT IS, THEREFORE, ORDERED that the Stipulation attached to the petition filed on January 28, 2004, by Verizon WV, the Staff, and the Consumer Advocate Division, (and as described herein and attached hereto), is hereby approved.

IT IS FURTHER ORDERED that the federal universal service support credits as set forth in the Stipulation be effective commencing with Verizon WV's March 2004 billing cycle.

IT IS FURTHER ORDERED that upon entry of this order, this case shall be removed from the Commission's docket of active cases.

IT IS FURTHER ORDERED that the Commission's Executive Secretary serve a copy of this order upon all parties of record by United States First Class Mail and upon Commission Staff by hand delivery.

**A True Copy, Teste:**

**Sandra Squire  
Executive Secretary**

JMH/sek  
040098c.sca

[Attachment A](#)

**PUBLIC SERVICE COMMISSION  
OF WEST VIRGINIA  
CHARLESTON**

At a session of the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 30th day of September, 2004.

CASE NO. 04-1260-T-GI

**GENERAL INVESTIGATION REGARDING  
CERTIFICATION OF FEDERAL UNIVERSAL  
SERVICE FUNDING FOR ELIGIBLE  
TELECOMMUNICATIONS CARRIERS IN WEST  
VIRGINIA**

Petition by Staff for the Commission to initiate a general investigation into the certification of federal universal service funding for eligible telecommunications carriers in West Virginia (filed 8/9/04).

**COMMISSION ORDER**

On August 9, 2004, Commission Staff (Staff) filed a petition, pursuant to *W. Va. Code* § 24-1-1(f)(2) and Rule 6.3. of the *Rules of Practice and Procedure*, to initiate a general investigation (GI) regarding the certification of federal universal service funding for eligible telecommunications carriers (ETCs) in West Virginia. Specifically, Staff requested an investigation of whether ETCs are in compliance with Section 254(e)<sup>5</sup> of the Telecommunications Act of 1934, as amended (Act).

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<sup>5</sup>This section of the Act states that federal universal service funds received by ETCs must be used “only for the provision, maintenance and upgrading of facilities and services for which the support is intended.”

On August 23, 2004, the Consumer Advocate Division (CAD) filed a Petition to Intervene, as this proceeding has the potential for impact on West Virginia communication ratepayers.

#### Use of High Cost Support Certification

By Order entered on August 27, 2004, a general investigation was initiated regarding the disposition of universal service funds for the calendar year 2005, as requested by Staff. The Order directed all incumbent local exchange telecommunications carriers and competitive eligible telecommunications carriers to file verified statements by September 10, 2004, that they use universal service support “only for the provision, maintenance and upgrading of facilities and services for which the support is intended,” consistent with Section 254(e) of the Act.<sup>6</sup>

Commission Staff filed a Further Final Joint Staff Memorandum on September 28, 2004, indicating that it received the required information from all those telecommunications carriers in the West Virginia marketplace who are eligible for universal service funding. Staff determined all the carriers who filed information met the qualifications necessary to qualify for universal service fund (USF) funding for the coming year.

In accordance with the Commission’s Order, a number of carriers filed statements verifying that federal universal service funding is used only for the provision, maintenance and upgrading of facilities and service for which the support is intended, consistent with Section 254(e) of the Act. These carriers were:

#### August 27, 2004

West Virginia PCS Alliance, L.C. dba NTELOS

#### August 31, 2004

Citizens Telecommunications of West Virginia, Inc.

#### September 1, 2004

Hardy Telecommunications, Inc.(ILEC)

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<sup>6</sup>47 C.F.R. § 54.313 requires the above-referenced certification for all *non-rural incumbent local exchange carriers* and/or eligible telecommunications carriers serving lines in the service area of a non-rural incumbent local exchange carrier within their jurisdiction. 47 C.F.R. § 54.314 requires such certification for *rural incumbent local exchange carriers* and/or eligible telecommunications carriers serving lines in the service area of a rural incumbent local exchange carrier within their jurisdiction.

September 3, 2004

Verizon West Virginia, Inc.  
ALLTEL Communications, Inc.

September 7, 2004

Spruce Knob Seneca Rocks Telephone, Inc.

September 8, 2004

Gateway Telecom, LLC, dba Stratus Wave Communications

September 10, 2004

West Side Telecommunications  
Armstrong Telephone Company - West Virginia  
Armstrong Telephone Company - Northern Division  
Easterbrooke Cellular Corporation  
Highland Cellular, LLC (formerly Highland Cellular, Inc.)  
FiberNet, LLC  
Sprint Corporation  
Hardy Telecommunications, Inc. (CLEC) (recently named ETC serving  
Moorefield)

September 27, 2004

War Telecommunications

#### Rate Comparability Certification

A new rate comparability certification is required pursuant to 47 C.F.R. § 54.316<sup>7</sup>, whereby each state annually reviews the comparability of residential rates in rural areas served by *non-rural incumbent* local exchange carriers to urban rates nationwide, and certifies to the FCC and USAC whether the rates are reasonably comparable. With respect to this requirement, on September 3, 2004, Verizon WV filed a Stipulation and Petition for Expedited Approval (Stipulation, attached hereto as Attachment A). The Stipulation was entered into by Verizon WV, Staff and CAD with regard to both Verizon WV's use of USF support, as well as the definition of rural areas served by Verizon WV in West Virginia, the rate template and comparison of rates, and rate comparability. Verizon WV is the only non-rural incumbent local exchange carrier in West Virginia.

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<sup>7</sup>See Federal Communication Commission's Order on Remand, Further Notice of Proposed Rulemaking and Memorandum Opinion and Order, CC Docket No. 96-45, FCC 03-249, rel. Oct. 27, 2003.

Furthermore, each of the following carriers filed verifications that their residential rates in the rural areas served by Verizon WV are reasonably comparable to the national urban rate benchmark:

September 3, 2004

Verizon West Virginia, Inc.

September 10, 2004

ALLTEL Communications, Inc.

Easterbrooke Cellular Corporation

Highland Cellular, LLC

Sprint Corporation

September 14, 2004

FiberNet, LLC

September 15, 2004

West Virginia PCS Alliance, L.C. dba NTELOS

Gateway Telecom, LLC, dba Stratus Wave Communications

### **DISCUSSION**

The Commission finds CAD's petition to intervene should be granted.

#### **Use of High Cost Support Certification - All Carriers**

With regard to the use of USF funds, the Commission finds that the following telecommunications carriers should be certified to receive Federal Universal Service support during January 1, 2005 to December 31, 2005, as they use federal universal service support only for the provision, maintenance and upgrading of facilities and services for which the support is intended, consistent with Section 254(e) of the Communications Act of 1934, as amended:

8. West Virginia PCS Alliance, L.C. dba NTELOS
9. Citizens Telecommunications of West Virginia, Inc.
10. Hardy Telecommunications, Inc. (CLEC)
11. Hardy Telecommunications, Inc. (ILEC)
12. Verizon West Virginia, Inc.
13. ALLTEL Communications, Inc.
14. Spruce Knob Seneca Rocks Telephone, Inc.
15. Gateway Telecom, LLC, dba Stratus Wave Communications

16. West Side Telecommunications
17. Armstrong Telephone Company - West Virginia
18. Armstrong Telephone Company - Northern Division
19. Easterbrooke Cellular Corporation
  
20. Highland Cellular, LLC
21. FiberNet, LLC
22. Sprint Corporation
23. War Telecommunications

Rate Comparability Certification - Non-rural ILEC Service Areas

With respect to the requirements of 47 C.F.R. § 54.316, Verizon WV, Staff and CAD proposed the following:

A. The classification of Verizon WV's wire centers as "rural" and "urban" as set forth in Attachment A of the Stipulation is reasonable. This classification differs from a strict application of the definition of "rural areas" found in 47 C.F.R. § 54.316(c), however, it closely matches unbundled network element (UNE) zone determinations previously made by the WVPSC and has been recommended by the parties for use here.

B. The statewide average E-911 rate for non-MSA counties of \$2.02 per month as set forth in Attachment C of the Stipulation is reasonable. This statewide average E-911 rate is used in the rate template required under 47 C.F.R. § 54.316(b), and set forth in Attachment B of the Stipulation. The rates included in the rate template for each residential calling plan are also reasonable.

C. The rates charged by Verizon WV to residential customers in rural areas of West Virginia are comparable to rates charged in urban areas for purposes of 47 U.S.C. § 254(e). As set forth in Attachment B of the Stipulation, three of the four residential calling plans available to all Verizon-WV customers in West Virginia, including those in rural areas, have basic rates which fall below the national urban benchmark of \$34.16 per month set forth in the FCC's *Reference Book on Rates, Price Indices and Expenditures for Telephone Service*, dated July 1, 2004. The fourth calling plan, Frequent Caller, has basic rates that are \$3.44 above the benchmark. Nevertheless, the WVPSC believes that all of Verizon WV's rates in rural areas are reasonably comparable to rates charged in urban areas for the following reasons:

1. Since 1988 the rates charged to residential customers in West Virginia have been uniform throughout the state, that is, they do not vary

based on whether the customer is located in an urban wire center or a rural wire center.

2. “Local calling areas” are uniformly defined throughout West Virginia, and consist of all adjacent wire centers and wire centers within 22 air miles of the customer’s home wire center. This means that every residential customer in every Verizon WV wire center in West Virginia, rural or urban, has a large local calling area, usually in excess of fifty miles in diameter. These large local calling areas benefit residential customers by reducing the need to make long distance calls for normal daily activities.

3. Every residential customer in every Verizon WV wire center has the choice of the same four calling plans. Unlike rate plans in other states, residential customers in rural areas are not forced to subscribe to service under only one rate plan. Since the rate plans are optional, no customer is forced to purchase service under any particular plan. Each customer can choose which plan is best for his or her calling needs.

4. Accordingly, Plan 4 is an optional calling plan that provides flat-rate local calling across a very large area. Customers do not have to choose that plan, since there are other alternative calling plans available from Verizon WV and competitive carriers. Moreover, Plan 4 gives customers flat-rate local calling for calls that are normally billed as long distance calls in other, more urban states.

The following carriers have advised the Commission that they support the division of rural and urban areas and the rate template in the Stipulation:

September 10, 2004

Easterbrooke Cellular Corporation  
Highland Cellular, LLC

September 14, 2004

FiberNet, LLC

September 15, 2004

West Virginia PCS Alliance, L.C. dba NTELOS  
Gateway Telecom, LLC, dba Stratus Wave Communications

The Commission has reviewed the Stipulation and finds it is reasonable. Thus, the Stipulation will be adopted.



### Additional Rate Comparability Certification - Competitive ETCs

The Commission also reviewed the comparability of the residential rates in rural areas of West Virginia served by *non-rural incumbent* local exchange carriers and competitive ETCs to urban rates nationwide and determined that the following competitive ETCs' rates, as set forth in Attachment B hereto, fall below the national urban benchmark, and thus are reasonably comparable:

1. West Virginia PCS Alliance, L.C. dba NTELOS
2. ALLTEL Communications, Inc.
3. Gateway Telecom, LLC, dba Stratus Wave Communications
4. Easterbrooke Cellular Corporation
5. Highland Cellular, LLC
6. FiberNet, LLC
7. Sprint Corporation

To the extent these carriers also offer calling plans with rates that are above the national urban benchmark, such plans are strictly optional and often include calling features that are not federally supported (such as long distance calling).

### **ORDER**

IT IS, THEREFORE, ORDERED that the Consumer Advocate Division's petition to intervene is granted.

IT IS FURTHER ORDERED the following carriers are using Federal Universal Service support only for the provision, maintenance and upgrading of facilities and services for which the support is intended, consistent with Section 254(e) of the Communications Act of 1934, as amended:

1. West Virginia PCS Alliance, L.C. dba NTELOS
2. Citizens Telecommunications of West Virginia, Inc.
3. Hardy Telecommunications, Inc. (ILEC)
4. Hardy Telecommunications, Inc. (CLEC)
5. Verizon West Virginia, Inc.
6. ALLTEL Communications, Inc.
7. Spruce Knob Seneca Rocks Telephone, Inc.
8. Gateway Telecom, LLC, dba Stratus Wave Communications
9. West Side Telecommunications
10. Armstrong Telephone Company - West Virginia
11. Armstrong Telephone Company - Northern Division
12. Easterbrooke Cellular Corporation
13. Highland Cellular, LLC
14. FiberNet, LLC

15. Sprint Corporation
16. War Telecommunications

IT IS FURTHER ORDERED that it is appropriate to certify to the Federal Communications Commission and the Universal Service Administrative Company that the above stated carriers are eligible to continue receiving Federal Universal Service support for calendar year 2005, based on the verified statement submitted to the Commission.

IT IS FURTHER ORDERED that the Stipulation regarding rate comparability between Verizon West Virginia, Inc., Commission Staff and the Consumer Advocate Division, attached hereto as Attachment A, is adopted.

IT IS FURTHER ORDERED that it is appropriate to certify to the Federal Communications Commission and the Universal Service Administrative Company that the residential rates charged by the following competitive eligible telecommunications carriers in rural areas of West Virginia served by Verizon WV are reasonably comparable to urban rates nationwide:

1. West Virginia PCS Alliance, L.C. dba NTELOS
2. ALLTEL Communications, Inc.
3. Gateway Telecom, LLC, dba Stratus Wave Communications
4. Easterbrooke Cellular Corporation
5. Highland Cellular, LLC
6. FiberNet, LLC
7. Sprint Corporation

IT IS FURTHER ORDERED that, upon entry hereof, this proceeding shall be removed from the Commission's active docket of cases.

IT IS FURTHER ORDERED that the Commission's Executive Secretary serve a copy of this order upon all parties of record by United States First Class Mail and upon Commission Staff by hand delivery.

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**PUBLIC SERVICE COMMISSION  
OF WEST VIRGINIA  
CHARLESTON**

**CASE NO. 04-1260-T-PC**

**GENERAL INVESTIGATION REGARDING  
CERTIFICATION OF FEDERAL UNIVERSAL  
SERVICE FUNDING FOR ELIGIBLE  
TELECOMMUNICATIONS CARRIERS  
IN WEST VIRGINIA**

**STIPULATION**

**This Stipulation is entered into this 3<sup>rd</sup> day of September, 2004, by and among Verizon West Virginia Inc. (“Verizon WV”), the Staff of the Public Service Commission (“Staff”), and the Consumer Advocate Division of the Public Service Commission (“CAD”) (hereinafter collectively called “the Parties”), by their respective counsel.**

**WHEREAS, the Parties previously entered into a series of Stipulations and Settlements on the annual disposition of federal universal service funds in Case Nos. 99-1620-T-GI, 00-1579-T-GI and 00-1855-T-PC, 01-1646-T-PC, 02-2044-T-PC and 04-0098-T-P; and**

**WHEREAS, pursuant to 47 C.F.R. §54.313(c)(3), the Commission is required to certify to the Federal Communications Commission (“FCC”) and the Universal Service Administrative Company (“USAC”) by October 1<sup>st</sup> of each year that all universal service funds received by Verizon WV have been used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended, in order that Verizon WV can continue to receive universal service support for the coming year; and**

**WHEREAS, the next such certification is due on or before October 1, 2004, and will affect funding received in 2005; and**

**WHEREAS, pursuant to 47 C.F.R. §54.316, the Commission is also required to certify to the FCC and USAC by October 1, 2004, that all residential rates in rural areas served by Verizon WV in West Virginia are reasonably comparable to urban rates, in order that Verizon WV can continue to receive universal service support in 2005; and**

**WHEREAS, the Parties have met and have agreed (a) that Verizon WV has used all federal universal service funds only for the provision, maintenance and upgrading of facilities and services for which the support is intended; (b) on a definition of rural and urban wire centers served by Verizon WV in West Virginia; (c) on a comparison of Verizon's residential rates in West Virginia to the national urban rate benchmark; and (d) that residential rates in rural areas served by Verizon WV in West Virginia are reasonably comparable to rates in urban areas for purposes of 47 U.S.C §254(b)(3);**

**NOW, THEREFORE, the Parties do hereby agree and stipulate as follows:**

**Use of USF Support**

**1. During 2003 Verizon WV received approximately \$31 million in federal universal service support in West Virginia. Verizon WV used this support only for the provision, maintenance and upgrading of facilities and services for which the support was intended. Approximately \$25 million of this support was returned to ratepayers in the form of monthly rate credits, while approximately \$6 million was used for facilities upgrades in rural wire centers served by Verizon. In addition, Verizon WV provided more than \$4 million in additional construction expenditures from its own funds. All of these credits and expenditures were approved by the Commission by Orders issued in Case Nos. 02-2044-T-PC and 04-0098-T-P, and have been reviewed periodically by Staff and CAD.**

2. The Parties agree that the Commission should certify to the FCC and USAC that all federal universal service funds received by Verizon WV in West Virginia have been used only for the provision, maintenance and upgrading of facilities and services for which the support is intended. Pursuant to 47 C.F.R. §54.313(c)(3) such certification must be filed on or before October 1, 2004, in order for Verizon WV to receive universal service fund support for 2005.

**Definition of Rural Areas Served by Verizon WV in West Virginia**

3. Beginning October 1, 2004, 47 C.F.R. §54.316(a) requires the Commission to certify that residential rates in rural areas served by Verizon WV in West Virginia are comparable to a national urban rate benchmark. Pursuant to 47 C.F.R. §54.316(c), “rural area” is defined as a county or part of a county that is not included in a Metropolitan Statistical Area (MSA). In the alternative, states may define “rural area” as including any wire center which the state designates as “rural” for purposes of rate comparability. The state must provide an explanation if it deviates from the MSA definition.

4. As a part of the compromise in this Stipulation, and subject to Paragraph 7 below, the Parties hereby jointly recommend that the Commission reject a strict application of the MSA definition to Verizon’s West Virginia service area. Under a strict application of the MSA definition, several arguably small rural wire centers would be classified as “urban” while certain arguably urban wire centers would be classified as “rural.” In order to divide Verizon’s wire centers into “rural” and “urban” for purposes of 47 C.F.R. §54.316(a), the Parties have agreed in this Stipulation on the classification of wire centers as set forth in Attachment A hereto. All wire centers

shown in bold type have been moved from the classification that would have resulted from strict application of MSA definitions in West Virginia.

5. The classification of wire centers set forth in Attachment A results in a rational division of wire centers in West Virginia. As can be seen from review of Attachment A, all wire centers contained in Unbundled Network Element (“UNE”) zone 1 (*i.e.*, low cost wire centers) are classified as urban, while all wire centers in UNE zones 3 and 4 are classified as rural. Wire centers contained in UNE zone 2 are divided between urban and rural based on their population densities and demographics. Less dense wire centers in UNE zone 2 with few urban concentrations of population – such as Keyser and Lubeck – were classified as “rural,” while wire centers in UNE zone 2 that were urban or –suburban – such as Morgantown and Beckley – were classified as “urban.”

6. The Parties jointly urge the Commission to adopt the urban/rural classification of wire centers set forth in Attachment A, and recommend the adoption of this classification in the Commission’s certification letter to the FCC and USAC.

7. Without limiting the general applicability of Paragraphs 14 and 15 below, the Parties agree that no party to this Stipulation is prohibited from proposing any other classification of wire centers as “urban” and “rural” in any future year or for any other purpose.

#### **Rate Template and Comparison of Rates**

8. In order to compare the rates in rural wire centers served by Verizon WV to the national urban rate benchmark, the Parties have followed the rate template set forth in the FCC’s annual *Reference Book of Rates, Price Indices and Expenditures for*

*Telephone Service*, dated July 1, 2004, as required by 47 C.F.R. §54.316(b). The results of this comparison are set forth in Attachment B attached hereto.

9. The rates shown on Attachment B include the monthly line charge for each residential calling plan, the average monthly usage for each calling plan, the federal subscriber line charge, the federal universal service credit, the federal universal service surcharge, the local number portability surcharge, the Telecommunications Relay Service surcharge, E-911 surcharge and federal excise tax. There are no state taxes which are applicable to customers' bills. Some municipalities do impose a municipal excise tax of not more than 2% on telephone bills received by customers within the city limits of the municipality. Because these taxes are not imposed by all municipalities, and because these taxes do not apply to all customers within rural wire centers served by Verizon, the Parties have agreed not to include these taxes in the rate template used on Attachment B.

10. The rate template used in Attachment B includes a monthly fee for E-911 service. These fees are determined by each county in West Virginia, are collected by Verizon WV from customers within each county, and remitted to the respective counties. Because the E-911 fee varies from county to county, for purposes of the rate template used in Attachment B, the Parties have agreed to use a statewide average of E-911 fees charged in non-MSA counties served by Verizon. That statewide average is \$2.02 per month. Derivation of this statewide average E-911 fee is shown on Attachment C.

11. The Parties jointly urge the Commission to adopt the use of the statewide average E-911 fee for non-MSA counties as part of the rate template used in Attachment B. The Parties further jointly urge the Commission to adopt the rate template used in



**Attachment B. The Parties also jointly recommend that the Commission adopt the rate template in its certification letter to the FCC and USAC.**

**Rate Comparability**

**12. As can be seen on Attachment B, Verizon’s rates for residential calling plans 1 – 3 fall below the FCC’s current urban rate benchmark of \$34.16, while the rates for residential calling plan 4 are \$3.44 above the benchmark. Even though the rates for one of the residential calling plans are above the FCC’s urban rate benchmark, the Parties jointly recommend that the Commission find that rates charged in rural areas served by Verizon WV are nonetheless reasonably comparable to rates in urban areas for the following reasons:**

**a. Since 1988 the rates charged to residential customers in West Virginia have been uniform throughout the state, that is, they do not vary based on whether the customer is located in an urban wire center or a rural wire center.**

**b. “Local calling areas” are uniformly defined throughout West Virginia. The “local calling area” of customers in each wire center is defined as (i) the customer’s home wire center; (ii) all wire centers contiguous to the customer’s home wire center; and (iii) every other wire center whose central office is within 22 air miles of the central office of the home wire center. This means that every residential customer in every Verizon WV wire center in West Virginia, rural or urban, has a large local calling area, usually in excess of fifty miles in diameter. These large local calling areas benefit residential customers by reducing the need to make long distance calls for normal daily activities.**

**c. Every residential customer in every Verizon WV wire center has the choice of the same four calling plans. Unlike rate plans in other states, residential**

customers in rural areas are not forced to subscribe to service under only one rate plan.

Since the rate plans are optional, no customer is forced to purchase service under any particular plan. Each customer can choose which plan is best for his or her particular calling needs. The basic calling plans available to residential customers of Verizon WV in West Virginia are as follows:

Plan 1 Thrifty Caller	All calls within the local calling area are measured
Plan 2 Community Caller	All calls within the home exchange are flat-rated; calls to all other exchanges within the local calling area are measured.
Plan 3 Community Plus	All calls within the home exchange and certain surrounding exchanges are flat-rated; calls to all other exchanges within the local calling area are measured.
Plan 4 Frequent Caller	All calls within the local calling area are flat-rated.

d. Accordingly, Plan 4 is an *optional* calling plan that provides flat-rate local calling across a very large area. Customers do not have to choose Plan 4, since there are other alternative calling plans available from Verizon WV and competitive carriers. Moreover, Plan 4 gives customers flat-rate local calling for calls that are normally billed as long distance calls in other, more urban states.

13. For the reasons set forth above, the Parties jointly urge the Commission to find that the rates shown in Attachment B are reasonably comparable to urban rates for purposes of 47 U.S.C. §254(b)(3) , and recommend that the Commission certify such comparability in its certification letter to the FCC and USAC. Pursuant to 47 C.F.R. §54.316(d) such certification must be filed on or before October 1, 2004, in order for Verizon WV to receive universal service fund support for 2005.

**Stipulation**

14. The Parties agree that this Stipulation represents a negotiated compromise of opposing views, and that each term of this Stipulation is an integral part of the whole. If this Stipulation is not accepted in full by the Commission, each Party reserves the right to oppose any aspect of the Joint Stipulation, including those aspects which the Commission has accepted without modification.

15. The Parties agree that by signing this Joint Stipulation, no Party binds itself in any way with respect to the position that Party may take for future years regarding the appropriate use of Federal Universal Service Funding received by Verizon, or the comparability of rates in rural areas served by Verizon WV in West Virginia.

Dated this \_\_\_\_ day of September, 2004.

**VERIZON WEST VIRGINIA INC.  
SERVICE**

**STAFF OF THE PUBLIC  
COMMISSION OF WEST VIRGINIA**

By: \_\_\_\_\_

By: \_\_\_\_\_

**CONSUMER ADVOCATE DIVISION OF  
THE PUBLIC SERVICE COMMISSION OF  
WEST VIRGINIA**

By: \_\_\_\_\_

Proposed Urban/Rural Classification of Verizon Wire Centers in West Virginia							
(for purposes of the FCC's requirement for ETCs to certify that their rates							
in rural wire centers are comparable to the urban benchmark)							
Rural Wire Centers:							
<u>Rural</u>	<u>UNE Zone</u>		<u>Rural</u>	<u>UNE Zone</u>		<u>Rural</u>	<u>UNE Zone</u>
Alum Creek	3		Logan	2		Walton	4
Alderson	3		Lewisburg	2		West Milford	3
Alloy	3		Man	2		West Liberty	3
Ansted	3		Mason	2		Williamson	2
Apple Grove	3		Meadow Bridge	4		White Sulfur Springs	2
Buckhannon	2		Middlebourne	3		Weston	2
Buffalo	3		Madison	2		West Union	4
Belington	3		Mullens	2		Winfield	2
Bradshaw	3		Monogah	2			
Brandywine	4		Mannington	3			
Berkeley Springs	2		Mineral Wells	3			
Burnsville	4		Montgomery	2			
Bethany	3		Mt. Hope	2			
Cheat Lake	2		Matewan	2			
Chapmanville	3		Newburg	4			
Clendenin	3		New Martinsville	2			
Craigsville	3		Oceana	3			
Dallison	4		Oak Hill	2			
Delbarton	2		Omar	2			
East Bank	2		Paden City	2			
Elkins	2		Piedmont	2			
Elizabeth	4		Philippi	3			
Franklin	4		Pineville	3			
Flat Top	3		Pennsboro	3			
Farmington	2		Peterstown	3			
Fairview	3		Pt.Pleasant	2			
Ft. Gay	3		Rainelle	2			
Fayetteville	2		Richwood	3			
Grafton	2		Rock Cave	4			
Gilbert	3		Ripley	2			
Glen Daniel	3		Rivesville	3			
Glenville	3		Ravenswood	2			
Gum Springs	3		Rowlesburg	4			
Greenville	4		Salem	2			
Gormanias	4		Shady Spring	2			
Griffithsville	3		Summersville	2			
Gassaway	3		Shinnston	2			
Gauley Bridge	4		Sophia	2			
Hedgesville	2		Spencer	2			

Hinton	3		<b>Sissonville</b>	<b>3</b>			
Holden	3		Sutton	3			
laeger	3		Sistersville	2			
Jane Lew	3		Tunnelton	4			
Kingwood	2		Terra Alta	3		Note: Wire Centers in bold have been changed from strict MSA-based classification	
Kermit	4		Union	4			
<b>Keyser</b>	<b>2</b>		<b>Valley Mills</b>	<b>2</b>			
<b>Lubeck</b>	<b>2</b>		Whitesville	3			
<b>Proposed Urban/Rural Classification of Verizon Wire Centers in West Virginia</b>							
<b>(for purposes of the FCC's requirement for ETCs to certify that their rates</b>							
<b>in rural wire centers are comparable to the urban benchmark)</b>							
<b>Urban Wire Centers:</b>							
<b>Urban</b>	<b>UNE Zone</b>						
Barboursville	2						
<b>Beckley</b>	<b>1</b>						
Beech Bottom	2						
Belle	2						
<b>Bridgeport</b>	<b>1</b>						
Chester	2						
Charleston	1						
<b>Clarksburg</b>	<b>1</b>						
Dunbar	1						
Elkview	2						
<b>Fairmont</b>	<b>1</b>						
Follansbee	1						
Falling Waters	2						
Huntington	1						
Huntington-West	1						
Hurricane	2						
Inwood	2						
Kanawha City	1						
Milton	2						
<b>Morgantown</b>	<b>1</b>						
Moundsville	1						
Martinsburg	1						
New Cumberland	2						
Nitro	1						
Parkersburg	1						
<b>Pocatalico</b>	<b>2</b>						
Scott Depot	1						
South Charleston	1						

<b>Suncrest</b>	<b>1</b>						
St. Albans	1						
Tyler Heights	1						
Valley Grove	2						
Vienna	1						
Woodsdale	1						
Wheeling	1						
Weirton	1				Note: Wire Centers in bold have been changed from strict MSA- based classification		
Weirton Heights	1						
Warwood	1						
Wellsburg	1						
<b>Williamstown</b>	<b>2</b>						

<b>COMPARISON OF VERIZON RATES IN RURAL WIRE CENTERS TO NATIONAL URBAN RATE BENCHMARK WEST VIRGINIA</b>				
August 2004				
	Thrifty	Community	Community+	Frequent
	Caller	Caller	Caller	Caller
Charge or Credit	Plan 1	Plan 2	Plan 3	Plan 4
Monthly Line Charge	\$6.00	\$15.00	\$22.00	\$29.00
Monthly Average Usage	\$4.74	\$1.88	\$1.21	\$0.00
Federal Subscriber Line Charge	\$6.50	\$6.50	\$6.50	\$6.50
Federal Universal Service Credit	-\$1.70	-\$1.70	-\$1.70	-\$1.70
Federal Universal Service Surcharge	\$0.58	\$0.58	\$0.58	\$0.58
Local Number Portability Surcharge	\$0.00	\$0.00	\$0.00	\$0.00
Telecommunicatoins Relay Service Surcharge	\$0.10	\$0.10	\$0.10	\$0.10
E-911 Surcharge	\$2.02	\$2.02	\$2.02	\$2.02
Subtotal	\$18.24	\$24.38	\$30.71	\$36.50
Federal Excise Tax	\$0.55	\$0.73	\$0.92	\$1.10
TOTAL	\$18.79	\$25.11	\$31.63	\$37.60
National Urban Rate Benchmark	\$34.16	\$34.16	\$34.16	\$34.16
Amount in Excess of Benchmark	n/a	n/a	n/a	\$3.44

E-911 FEES IN WV							
Non-MSA Counties			MSA Counties			Non-Verizon Counties	
County	Fee		County	Fee		County	Fee
Barbour	\$1.80		Berkeley	\$1.50		Calhoun	\$2.45
Boone	\$1.25		Brooke	\$2.05		Clay	\$2.00
Braxton	\$2.10		Cabell	\$1.50		Grant	\$3.75
Doddridge	\$2.45		Hancock	\$0.55		Hampshire	\$2.00
Fayette	\$2.00		Jefferson	\$1.90		Hardy	\$3.75
Gilmer	\$1.85		Kanawha	\$1.25		Pleasants	\$2.00
Greenbrier	\$2.00		Marshall	\$1.20		Pocahontas	\$1.25
Harrison	\$0.98		Ohio	\$1.12		Tucker	\$1.50
Jackson	\$2.00		Putnam	\$1.50		Webster	\$2.60
Lewis	\$1.85		Wayne	\$2.00		AVERAGE	\$2.37
Lincoln	\$3.50		Wood	\$1.75			
Logan	\$1.50		Mineral	\$2.00			
Marion	\$1.03		AVERAGE	\$1.53			
Mason	\$2.00						
McDowell	\$2.90						
Mercer	\$1.25						
Mingo	\$2.00						
Monongalia	\$1.31						
Monroe	\$2.65						
Morgan	\$2.50						
Nicholas	\$1.95						
Pendleton	\$2.50						
Preston	\$1.00						
Raleigh	\$2.00						
Randolph	\$2.50						
Ritchie	\$2.45						
Roane	\$1.75						
Summers	\$1.85						
Taylor	\$1.50						
Tyler	\$2.85						
Upshur	\$1.90						
Wetzel	\$2.95						
Wirt	\$2.00						
Wyoming	\$2.65						
AVERAGE	\$2.02						



**ATTACHMENT B**  
**ADDITIONAL RATE COMPARABILITY CERTIFICATION**  
**COMPETITIVE ETCS**

FCC Benchmark	Carrier	Carrier Rate
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\$34.16	West Virginia PCS Alliance, L.C. dba NTELOS	\$31.59
\$34.16	FiberNet, LLC	\$33.91
\$34.16	ALLTEL Communications, Inc.	\$29.95 <sup>8</sup>
\$34.16	Sprint Corporation (Includes bundled long distance & several vertical features)	\$35.00 <sup>9</sup>
\$34.16	Highland Cellular, LLC	\$27.09
\$34.16	Easterbrooke Cellular Corporation	\$25.70
\$34.16	Gateway Telecom, LLC, dba	\$18.48

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<sup>8</sup>ALLTEL's rate does not appear to include the state wireless E-911 fee (\$1.48), federal excise taxes or any other fees or surcharges that might apply. However, the addition of the wireless E-911 fee and federal excise tax should result in a rate below the federal benchmark.

<sup>9</sup>On September 10, 2004, Sprint Corporation filed its affidavit in support of its verification that its residential rates in the urban areas that it serves are reasonably comparable to the national benchmark. This affidavit was supplemented by a filing on September 15, 2004. An electronic copy of Sprint Corporation's affidavit and supplemental information are attached hereto. The original affidavit, with verified signatures, and the supplement are lodged in the Commission's file.

	StratusWave (Like Verizon WV Inc., StratusWave offers four calling plans and the fourth plan, which slightly exceeds the national benchmark, is optional).	\$24.34 \$30.50 \$36.10 <sup>10</sup>
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<sup>10</sup>Like Verizon WV Inc., StratusWave offers four calling plans and the fourth plan, which slightly exceeds the national benchmark, is optional.

**PUBLIC SERVICE COMMISSION  
OF WEST VIRGINIA  
CHARLESTON**

**CASE NO. 04-1260-T-PC**

**GENERAL INVESTIGATION REGARDING  
CERTIFICATION OF FEDERAL UNIVERSAL  
SERVICE FUNDING FOR ELIGIBLE  
TELECOMMUNICATIONS CARRIERS IN WEST  
VIRGINIA**

**AFFIDAVIT OF DOUGLAS B. LYNN**

**State of Kansas**

**County of Johnson**

**I, Douglas B. Lynn, declare as follows:**

**1. I am employed by Sprint Corporation as an Assistant Vice President. I am authorized to give this affidavit on behalf of Sprint Corporation's Wireless Division, consisting of SprintCom, Inc., Sprint Spectrum, L.P. and Wireless Co., L.P., d/b/a Sprint.**

**2. Under 47 C.F.R. § 54.313(c)(3), the Public Service Commission of West Virginia ("Commission") is required to certify to the Federal Communications Commission ("FCC") and the Universal Service Administrative Company ("USAC") by October 1<sup>st</sup> of each year that eligible telecommunications carriers ("ETCs") such as Sprint will use federal high-cost universal service support in a manner consistent with 47 U.S.C. § 254(e).**

**3. Sprint hereby certifies, pursuant to an Order of the Commission issued in the above-captioned proceeding, that the federal high-cost universal service support that it will receive in 2005 will be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended, consistent with section 254(e) of the Telecommunications Act of 1996.**

**4. Under 47 C.F.R. § 54.316, the Commission is also required to certify to the FCC and USAC by October 1, 2004 that all residential rates in rural areas served by ETCs in West Virginia are reasonably comparable to urban rates nationwide.**

**5. Sprint hereby certifies that its residential rates in the rural areas that it serves in West Virginia are comparable to its rates in the urban areas that it serves and reasonably comparable to the national urban rate benchmark of \$34.16 for residential basic local service established by the FCC.<sup>1</sup> Sprint's rate plans do not distinguish between urban and rural areas. The rate for Sprint's Free and Clear Service wireless plan is \$35.00 per month. This rate also includes nationwide long distance calling, unlimited weekend and night minutes and several custom calling features, such as voicemail, caller ID and call waiting, that are not available in the basic local service packages offered by incumbent and competitive local exchange carriers. Considering these factors, Sprint's rate for its basic wireless plan is reasonably comparable to the national urban rate benchmark for residential basic local service.**

**FURTHER AFFIANT SAYETH NOT.**

**\s\ Douglas B. Lynn**

**Sworn to and subscribed before me this 9th day of September 2004.**

**\s\ Suzanne G. Russell**  
**Notary Public**

**My Commission expires: 3/21/2007**

**[stamp does not appear on electronic copy]**

<sup>1</sup> *Reference Book of Rates, Price Indices and Expenditures for Telephone Service*, FCC's Wireline Competition Bureau, July 1,2004.

**[Attachment A](#)**